

Warehouse Industrial

LEASING in msf (H2 2022)	1.05	3.56
AVG RENTALS in INR/sf/month	26.0	27.1
LAND VALUE Avg. Y-o-Y growth	6%	5%

Warehouse leasing stood at 1.05 msf as of H2 2022, e-commerce drives the momentum

Pune recorded 1.05 msf of warehouse lease transaction in H2 2022, a drop of ~33% on y-o-y basis and a decline of 44% as compared to H1 2022. The dip in warehouse leasing in Pune this year can be attributed to the changes in the e-commerce and logistics industry, while there was high demand for warehouse space last year as e-commerce and 3PL companies were expanding their operations to meet the increased demand for online shopping. The annual warehouse lease volumes stood at 2.79 msf, a marginal drop of ~9% as compared to previous year. Chakan sub-market dominated lease volumes with a 75% share followed by Ranjangaon with a contribution of 16%. E-Commerce accounted for ~80% of the leasing volume in H2 2022 and the sector contributed ~82% of the leasing volume in CY 2022 as well. Major occupiers with large space take-ups in H2 2022 were Pepsico India Holdings, Safexpress Pvt. Ltd. and Milkbasket, among others.

Limited inventory of Grade A assets is compelling developers to increase supply of quality assets across submarkets in the city. The increased cost of construction and high demand has resulted in a developer-friendly market. While the city recorded an additional supply of 3.1 msf of warehousing space in 2022, 2023 is likely to see completion of close to ~2.0 msf of Grade A warehouses, mostly concentrated in the Talegaon submarket. Chakan, Talegaon and PCMC submarkets witnessed a 5-8% increase in warehouse rents compared to the same period last year on the back of strong demand led by E-commerce occupiers.

Strong momentum in industrial Leasing; Chakan and Talegaon remain preferred submarkets

Pune recorded 3.6 msf of industrial lease transaction in H2 2022, a rise of ~60% on a y-o-y basis and 14% growth as compared to H1 2022. For the whole year, industrial lease volumes stood at 7.7 msf, a rise of ~80% as compared to the previous year. In H2, Chakan sub-market dominated with a 69% share in leasing volumes, followed by Talegaon with a 10% contribution. Automotive manufacturing accounted for ~59% of the leasing volume in H2 2022 while for the whole year, automotive manufacturing occupiers contributed a similar ~60% share. Major occupiers with large space take-ups in H2 2022 were TATA Autocomp, Varroc Engineering and TVS Supply Chain, among others.

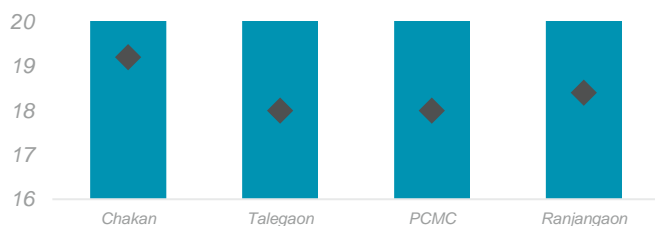
City wide industrial rents witnessed an uptick of 5-8% y-o-y across sub-markets on the back of strong demand. Talegaon MIDC Ph-IV (Electronics & Engineering Cluster) & Ranjangaon MIDC Ph-III (Electronics Cluster) are among new announcements by MIDC on the back of strengthening demand. In terms of land transactions, there have been substantial investment by developers and end users, primarily in Chakan and Talegaon submarkets.

ECONOMIC INDICATORS Q4 2022

	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



■ INDUSTRIAL RENT (INR/SF/MONTH) ◆ INDUSTRIAL RENT Y-O-Y % GROWTH ■ WAREHOUSING RENT (INR/SF/MONTH) ◆ WAREHOUSING RENT Y-O-Y % GROWTH

KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – December 2022

SUBMARKET	WAREHOUSE RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Chakan	30	8.0%	30	0.36	0.36	8.0%
Talegaon	25	5.0%	20	0.24	0.24	5.0%
PCMC	40	5.0%	109	1.32	1.30	8.0%
Hinjewadi	35	6.0%	87	1.06	1.04	6.0%

KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – December 2022

SUBMARKET	INDUSTRIAL RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Chakan	27	8.0%	35	0.36	0.36	8.0%
Talegaon	22	5.0%	26	1.24	0.24	5.0%
PCMC	42	5.0%	109	1.32	1.30	5.0%
Ranjangaon	25	6.0%	17	0.21	0.21	6.0%

Note: quoted industrial and warehousing rents are historically corrected to reflect accurate market conditions.

Quoted land rates for serviced industrial land parcels are mentioned

Represents government owned serviced plots in industrial parks

Percentage growth are in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$1= 82.3 INR and Euro 1 = INR 83.6

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2022

Lessee	Lessor	Type	Submarket	Area (sf)
TATA Autocomp Gotion Green Energy	ESR	Industrial	Chakan	282,000
KSH Logistics	Indospace	Warehouse	Chakan	181,900
TVS Supply Chain	Ascendas	Industrial	Talegaon	190,000
Pepsico Indis Holdings	--	Warehouse	Ranjangaon	158,800
KSH Logistics	Indospace	Industrial	Chakan	180,000

SIGNIFICANT LAND TRANSACTIONS H2 2022

Buyer	Seller	Type	Submarket / Location	Area (acre)
IFB	MIDC	Industrial	Ranjangaon	37
Bonfiglioli	MIDC	Industrial	Talegaon	8
Starion	MIDC	Industrial	Ranjangaon	17

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